

AMENDED IN SENATE AUGUST 6, 2012

AMENDED IN SENATE JUNE 26, 2012

AMENDED IN ASSEMBLY MAY 1, 2012

AMENDED IN ASSEMBLY APRIL 9, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2625

Introduced by Assembly Member Solorio

February 24, 2012

An act to amend Section 69992 of the Education Code, and to add Section 18409.1 to, and to add and repeal Chapter 3.5 (commencing with Section 18900) of Part 10.2 of Division 2 of, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2625, as amended, Solorio. Golden State Scholarshare Trust: Franchise Tax Board: returns.

The Golden State Scholarshare Trust Act establishes the Golden State Scholarshare Trust, under the administration of the Scholarshare Investment Board, which provides methods by which an individual can contribute to an account for paying specified costs for a student for postsecondary education and requires the board to market the program to Californians. Existing law requires the Franchise Tax Board to make a refund to a taxpayer of any overpayment of taxes. Existing law authorizes taxpayers to contribute their refunds for the support of specified funds or accounts.

This bill would authorize an individual to designate on the tax return that a contribution in excess of tax liability, as specified, be deposited

by the Franchise Tax Board to the credit of the individual's qualified tuition program account, as defined.

This bill would require the Franchise Tax Board and the Scholarshare Investment Board to provide information on their respective Internet Web sites and marketing materials regarding the qualified tuition program designation on the income tax return.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 69992 of the Education Code is amended
2 to read:

3 69992. (a) The board shall aggressively market this program
4 to the citizens of the State of California. The board shall include
5 in its marketing efforts information designed to educate citizens
6 about the benefits of saving for higher education and information
7 to help them decide the level of Scholarshare participation and the
8 combination of savings strategies that may be appropriate for them.
9 The board shall also develop a mechanism to keep participants in
10 this program motivated about their current and future academic
11 endeavors.

12 (b) The board shall include information regarding the direct
13 deposit program established by Chapter 3.5 (commencing with
14 Section 18900) of Part 10.2 of Division 2 of the Revenue and
15 Taxation Code on its Internet Web site and within its marketing
16 materials when timely and appropriate.

17 SEC. 2. Section 18409.1 is added to the Revenue and Taxation
18 Code, to read:

19 18409.1. The Franchise Tax Board shall include information
20 regarding the direct deposit program established by Chapter 3.5
21 (commencing with Section 18900) on its Internet Web site and
22 within its marketing materials when timely and appropriate.

23 SEC. 3. Chapter 3.5 (commencing with Section 18900) is added
24 to Part 10.2 of Division 2 of the Revenue and Taxation Code, to
25 read:

CHAPTER 3.5. DIRECTED DEPOSITS

18900. (a) An individual may designate on the tax return that a contribution in excess of tax liability, if any, be deposited to the credit of the individual's qualified tuition program account.

(b) The designation shall be allowed only if the designation is a full dollar amount ~~that is in excess~~ of twenty-five dollars (\$25) or more.

(c) The Franchise Tax Board shall revise the form of the return to include a space to allow the designation permitted under subdivision (a), and any other information that may be necessary to carry out this chapter, including, but not limited to, the following:

(1) The amount of the designation.

(2) The routing number and account number of the qualified tuition program.

(d) If the tax payments and the designation reported on the return do not exceed the tax liability, if any, shown thereon, the tax return shall be treated as though the designation had not been made.

(e) For purposes of this section, "qualified tuition program" means a Scholarshare qualified tuition program or a qualified tuition program as defined in Section 529 of the Internal Revenue Code.

18901. If an individual designates a voluntary contribution pursuant to Chapter 3 (commencing with Section 18711) and a directed deposit pursuant to this chapter, and the amount in excess of tax liability is less than the total amount designated, the amount in excess of tax liability shall be allocated among the designees on a pro rata basis.

18902. This chapter shall remain in effect only until January 1, 2020, and as of that date is repealed.